

WILLMAR CITY COUNCIL PROCEEDINGS
BOARD ROOM
HEALTH AND HUMAN SERVICES BUILDING
WILLMAR, MINNESOTA

October 18, 2021
6:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Rick Fagerlie, Julie Asmus, Thomas Butterfield, Michael O'Brien, Justin Ask, Vicki Davis, and Audrey Nelsen. Present 8, Absent 1. Council Member Plowman was excused from the meeting.

Also present were City Administrator Leslie Valiant, Police Chief Jim Felt, Finance Director Steve Okins, Interim Public Works Director Gary Manzer, City Planner Kayode Adiatu, Main Street Coordinator/Planner Willard Huyck, City Clerk Judy Thompson, and City Attorney Robert Scott.

Additions/deletions to the agenda included: Council Member Ask asked that Item #15 – Consideration of Civic Center Arena Special Event by On-Sale Liquor License Holder Permit, be moved up on the agenda due to members of the public being present for this item. It was noted this item would be discussed following the Open Forum.

Council Member Fagerlie moved to approve the agenda as amended. Council Member Davis seconded the motion which carried.

City Clerk Judy Thompson reviewed the consent agenda.

- A. City Council Minutes of October 4, 2021
- ~~B. Willmar Municipal Utilities Commission Minutes of October 11, 2021~~
- C. Planning Commission Minutes of October 6, 2021
- D. Rice Hospital Board Minutes of June 2, 2021
- E. Rice Hospital Board Minutes of September 1, 2021
- F. Accounts Payable Report for September 30 – October 13, 2021
- G. Application for Exempt Permit – Willmar Blue Line Club/Hockey Boosters
- H. Building Report for the Month of September, 2021
- I. Appointment to Municipal Utilities Commission – Dave Baumgart

Council Member Nelsen offered a motion to approve the Consent Agenda. Council Member O'Brien asked that Item B. be removed for discussion. Council Member Asmus seconded the motion to approve the consent agenda, with removal of Item B., which carried, unanimously.

Council Member O'Brien asked that an update on the water treatment plant be received by Municipal Utilities General Manager John Harren. Mr. Harren provided the pertinent information to the Mayor and Council.

Following the update, Council Member O'Brien offered a motion to approve Item B. Council Member Fagerlie seconded the motion which carried, unanimously.

There was no one present to speak during the Open Forum.

City Clerk Thompson presented a request to approve the Civic Center Arena Special Event by an On-Sale Liquor License Holder Permit for Spurs Corporation dba Spurs Grill & Bar to serve liquor for the Willmar Warhawks hockey season running from October 2021, through March 2022.

Following discussion, Council Member O'Brien offered a motion to approve staff's recommendation. Council Member Butterfield seconded the motion which carried, on a roll call vote of Ayes 7, Noes 0.

Baker-Tilly Representative Tom Denaway presented pertinent information regarding the Block 25 Tax Increment Financing (TIF) Plan being proposed for a multi-family housing project by Lumber One Development Company of Avon, MN.

Following discussion, Council Member Fagerlie offered a motion to set a public hearing for November 1, 2021 at 6:03 p.m. and introduced **Resolution No. 2021-207 Calling Public Hearing on the Proposed Establishment of Redevelopment Tax Increment Financing District – Block 25 Development Project – Within Municipal Development District No. II and the Proposed Adoption of a Tax Increment Financing Plan Relating Thereto.** Council Member Asmus seconded the motion which carried, on a roll call vote of Ayes 6, Noes 0. Council Member Nelsen abstained from voting.

Kandiyohi County Economic Development Commission (EDC) Director Aaron Backman presented a request to approve three items for RDC National, Inc. – 1) an amended purchase agreement with RDC National, Inc.; 2) the Development Agreement, and; 3) an amendment to previously approved Industrial Park Fifth Addition Major Subdivision.

Resolution No. 2021-208 Amending the Purchase Agreement with Ruedebusch Development & Construction, Inc. was introduced by Council Member Nelsen. Council Member Ask seconded the motion which carried, on a roll call vote of Ayes 7, Noes 0.

Resolution No. 2021-209 Adopting the Development Agreement with Ruedebusch Development & Construction, Inc. was introduced by Council Member Asmus. Council Member O'Brien seconded the motion which carried, on a roll call vote of Ayes 7, Noes 0.

Resolution No. 2021-210 A Resolution of the Willmar City Council Amending It's Approval of the Willmar Industrial Park Fifth Addition Major Subdivision was introduced by Council Member Asmus. Council Member Nelsen seconded the motion which carried, on a roll call vote of Ayes 7, Noes 0.

City Planner Adiatu presented a request to rezone additional 4.1 acres at the West and North of Willmar Poultry's existing site at 2700 75th Street SW from G/I to Ag and set a hearing for November 1, 2021.

Following discussion, Council Member Fagerlie offered a motion to **introduce an Ordinance Amending Municipal Ordinance No. 1060, The Willmar Zoning Ordinance** and set public hearing for November 1, 2021 at 6:04 p.m. Council Member Davis seconded the motion which carried, unanimously.

City Administrator Valiant presented a request to approve three items for Willmar Poultry Innovations, LLC. – 1) introduce an ordinance authorizing land sale for public hearing; 2) publish ordinance by summary, and; 3) approve a temporary license agreement for site preparations.

Following discussion, Council Member Ask offered a motion to **introduce an Ordinance Authorizing the Sale of Real Property to Willmar Poultry Innovations, LLC.,** and set a public hearing for November 1, 2021 at 6:05 p.m. Council Member Nelsen seconded the motion which carried, unanimously.

Due to the length and cost of publishing entire Ordinance, Council Member Fagerlie offered a motion to publish **Ordinance Authorizing the Sale of Real Property to Willmar Poultry Innovations, LLC.,** by summary. Council Member Nelsen seconded the motion which carried, on a roll call vote of Ayes 7, Noes 0.

Resolution No. 2021-211 Adopting the Temporary License Agreement for Site Preparations With Willmar Poultry Innovations, LLC. was introduced by Council Member Nelsen. Council Member Ask seconded the motion which carried, on a roll call vote of Ayes 7, Noes 0.

Interim Public Works Director Manzer presented a request to authorize Change Order No. 1 in the amount of \$64,387.88 for Project No. 2103-A 1st Street Overlay.

Resolution No. 2021-212 Accepting Change Order No. 1 for Project No. 2103-A was introduced by Council Member Davis. Council Member Nelsen seconded the motion which carried, on a roll call vote of Ayes 7, Noes 0.

City Clerk Thompson presented a request to approve an application from RT Stores LLC., the new owners of Westside Market & Liquor located at 3001 1st Avenue NW, Off-Sale Intoxicating Liquor License.

Council Member Fagerlie offered a motion to approve staff's request. Council Member Asmus seconded the motion which carried, on a roll call vote of Ayes 7, Noes 0.

City Administrator Valiant opened the discussion to set a date for a work session to discuss the next steps for City Council as a follow-up to suggested main topics from the Council Planning Retreat held in early October, 2021.

Following discussion, Council Member Ask offered a motion to set the date for November 9, 2021 at 7:00 p.m. for a Council work session to be held at the Willmar Fire Station, and approve the additional fee of \$500 for facilitator Cheryl Glaeser. Council Member Asmus seconded the motion which carried.

Mayor Calvin offered the following comments: Highway 71 North is open as of this evening.

Council Member O'Brien offered the following comments: he recently attended the Fabulous Armadillos concert at WEAC. The concert was a wonderful tribute to our veterans.

Council Member Fagerlie offered a motion to adjourn the meeting with Council Member Asmus seconding the motion which carried. The meeting adjourned at 7:16 p.m.

/s/ Marv Calvin

MAYOR

Attest:

/s/ Judy Thompson

SECRETARY TO THE COUNCIL

RESOLUTION NO. 2021-207

RESOLUTION CALLING PUBLIC HEARING ON THE PROPOSED ESTABLISHMENT OF REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT - BLOCK 25 REDEVELOPMENT PROJECT - WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. II AND THE PROPOSED ADOPTION OF A TAX INCREMENT FINANCING PLAN RELATING THERETO

Motion By: Fagerlie

Second By: Asmus

BE IT RESOLVED by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

1. Public Hearing. This Council shall meet on November 1, 2021, at approximately 6:00 p.m., to hold a public hearing on the following matters: (a) the proposed establishment of Redevelopment Tax Increment Financing District Block 25 Redevelopment Project (within Municipal Development District No. II,

and (b) the proposed adoption of a Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133, both inclusive, as amended, and Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (collectively, the "Act").

2. Notice of Hearing: Filing of Tax Increment Financing Plan. The City Administrator is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a copy of the proposed Tax Increment Financing Plan on file in the Administrator's Office at the City Offices and to make such copies available for inspection by the public.

3. Consultation with Other Taxing Jurisdictions. The Administrator is hereby directed to mail a notice of the public hearing and a copy of the proposed Tax Increment Financing Plan to Kandiyohi County and Independent School District No. 347, informing those taxing jurisdictions of the estimated fiscal and economic impact of the establishment of the proposed tax increment financing district.

Dated this 18th day of October, 2021.

/s/ Marv Calvin
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2021-208

**A RESOLUTION AMENDING THE PURCHASE AGREEMENT WITH
RUEDEBUSCH DEVELOPMENT & CONSTRUCTION, INC.**

Motion By: Nelsen

Second By: Ask

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota that the Amendment 1 to Commercial Property Purchase Agreement between the City and 2022 Willmar, LLC (assignee of RDC National, Inc.) is hereby accepted and approved, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to execute on behalf of the City a version thereof that is substantially consistent with the draft appended hereto.

Dated this 18th day of October, 2021.

/s/ Marv Calvin
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2021-209

**A RESOLUTION ADOPTING THE DEVELOPMENT AGREEMENT WITH
RUEDEBUSCH DEVELOPMENT & CONSTRUCTION, INC.**

Motion By: Asmus

Second By: O'Brien

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota that the Development Agreement with 2022 Willmar, LLC (assignee of RDC National, Inc.) is hereby accepted and approved, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to execute on behalf of the City a version thereof that is substantially consistent with the draft appended hereto.

Dated this 18th day of October, 2021.

/s/ Marv Calvin
MAYOR

Attest:

/s/ Judy Thompson
CITY CLERK

RESOLUTION NO. 2021-210

**A RESOLUTION OF THE WILLMAR CITY COUNCIL AMENDING ITS APPROVAL OF THE WILLMAR
INDUSTRIAL PARK FIFTH ADDITION MAJOR SUBDIVISION**

Motion By: Asmus

Second By: Nelsen

WHEREAS, the City of Willmar, a Municipal Corporation of the State of Minnesota, is the owner of certain real estate located in the City of Willmar, Kandiyohi County, Minnesota, consisting of approximately 24.84 acres of platted land in the Willmar Industrial Park Fourth Addition, together with approximately 6.3 acres of unplatted land immediately west thereof, and also including and together with the vacated 32nd Street SW right-of-way between Trott Avenue SW and Willmar Avenue SW, all as legally described on the attached Exhibit A (the "Property"), and has entered into that certain Commercial Property Purchase Agreement with RDC National, Inc. (together with its assigns, the "Developer"), dated August 20, 2021 (the "Purchase Agreement"), pursuant to which the City agreed to sell the Property to the Developer to facilitate Developer's construction of a 24/7/365 small package sorting and distribution facility on the Property (the "Project"); and

WHEREAS, the City Council of the City of Willmar adopted Resolution No. 2021-177, dated August 16, 2021, supporting Developer's major subdivision application to replat the 24.84 acres of land within the Willmar Industrial Park Fourth Addition and combine the same with the 6.3 acres of unplatted land immediately west thereof into one lot, and formally initiating the City's review procedures with respect thereto; and

WHEREAS, following the Willmar Planning Commission's review and favorable recommendation, the City Council acted at its September 20, 2021 meeting to approve the Willmar Industrial Park Fifth Addition major subdivision with respect to the Property, pursuant to the following conditions:

- A. Park Dedication or Cash in Lieu shall be paid or dedicated prior to recording of final plat, as formalized in a Development Agreement between the City of Willmar and (Developer).
- B. All comments from the Fire Marshall, Police Chief, Willmar Municipal Utilities (WMU) and Kandiyohi County Engineer as submitted to the Planning Commission shall be met, adhered to or amendments approved by City Staff, and additional information supplied as requested prior to issuance of building permits.
- C. All other land use, land sale, and associated agreements or authorizations for (Developer's) proposed logistics facility development shall be approved by Planning Commission and/or City Council, as applicable.
- D. Developer shall successfully close on its purchase of real property from the City.
- E. The final plat shall be submitted to City Staff and approved prior to recording.

WHEREAS, following the City Council's conditional approval of the Willmar Industrial Park Fifth Addition Major Subdivision, the City and Developer agreed to amend the Purchase Agreement to exclude the 6.3 unplatted acres west of the Willmar Industrial Park Fourth Addition plat from the transaction, and Developer now desires to exclude such 6.3 acres from the Final Plat of the Willmar Industrial Park Fifth Addition and from its Project;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, that:

1. The City Council's action at its September 20, 2021 meeting to conditionally approve the Willmar Industrial Park Fifth Addition Major Subdivision is hereby amended to exclude from such major subdivision the following described 6.3 acres of unplatted lands immediately west of the existing Willmar Industrial Park Fourth Addition plat:

That part of the Southeast Quarter of Section 17, Township 119 North, Range 35 West of the Fifth Principal Meridian, Kandiyohi County, Minnesota, described as follows:

Beginning at the northwest corner of Block 2, of record plat entitled WILLMAR INDUSTRIAL PARK FOURTH ADDITION, on file in the office of the Kandiyohi County Recorder; thence on an assumed bearing of South 00 degrees 03 minutes 57 seconds West, along the west line of said Block 2, a distance of 916.02 feet to the southwest corner of said Block 2; thence on a bearing of North 89 degrees 47 minutes 04 seconds West a distance of 300.50 feet; thence on a bearing of North 00 degrees 03 minutes 57 seconds East a distance of 916.02 feet; thence on a bearing of South 89 degrees 47 minutes 04 seconds East a distance of 300.50 feet to the point of beginning.

2. The conditions of approval of the Willmar Industrial Park Fifth Addition major subdivision as imposed by the City Council at its September 20, 2021 meeting as stated above shall remain in place to the extent they are not inconsistent with the action taken in the preceding paragraph, and the 6.3 acres of unplatted lands immediately west of the existing Willmar Industrial Park Fourth Addition shall be omitted from the final plat.

Dated this 18th day of October, 2021

/s/ Marv Calvin
Mayor

Attest:

/s/ Judy Thompson
City Clerk

EXHIBIT A
Legal Description of the Property

Lots 1, 2, and 3 of Block Two, and Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 3, Willmar Industrial Park Fourth Addition to the City of Willmar, County of Kandiyohi, State of Minnesota, according to the plat on file and of record in the office of the County Recorder of Kandiyohi County, Minnesota.

AND

Vacated 32nd Street SW between Trott Avenue SW and Willmar Avenue SW (subject to prior vacation by City).

AND

That part of the Southeast Quarter of Section 17, Township 119 North, Range 35 West of the Fifth Principal Meridian, Kandiyohi County, Minnesota, described as follows:

Beginning at the northwest corner of Block 2, of record plat entitled WILLMAR INDUSTRIAL PARK FOURTH ADDITION, on file in the office of the Kandiyohi County Recorder; thence on an assumed bearing of South 00 degrees 03 minutes 57 seconds West, along the west line of said Block 2, a distance of 916.02 feet to the southwest corner of said Block 2; thence on a bearing of North 89 degrees 47 minutes 04 seconds West a distance of 300.50 feet; thence on a bearing of North 00 degrees 03 minutes 57 seconds East a distance of 916.02 feet; thence on a bearing of South 89 degrees 47 minutes 04 seconds East a distance of 300.50 feet to the point of beginning.

RESOLUTION NO. 2021-211

A RESOLUTION ADOPTING THE TEMPORARY LICENSE AGREEMENT FOR SITE PREPARATIONS WITH WILLMAR POULTRY INNOVATIONS, LLC

Motion By: Nelsen

Second By: Ask

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota that the Temporary License Agreement for Site Preparations with Willmar Poultry Innovations LLC

is accepted and approved, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to execute a version thereof.

Dated this 18th day of October, 2021

/s/ Marv Calvin
Mayor

Attest:

/s/ Judy Thompson
City Clerk

RESOLUTION NO. 2021-212

A RESOLUTION ACCEPTING CHANGE ORDER NO. 1 FOR PROJECT NO. 2103-A.

Motion By: Davis Second By: Nelsen

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the Mayor and City Administrator of the City of Willmar are hereby authorized to modify the contract for Project No. 2103-A between the City of Willmar and Duininck, Inc. by Change Order No. 1 in the increased amount of \$64,387.88.

Dated this 18th day of October, 2021

/s/ Marv Calvin
Mayor

Attest:

/s/ Judy Thompson
City Clerk